

**HIAWATHA FIRST NATION  
FINANCIAL STATEMENTS  
MARCH 31, 2016**

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FINANCIAL STATEMENTS  
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# Hiawatha First Nation

Administration Office

## HIAWATHA FIRST NATION

For The Year Ended March 31, 2016

### MANAGEMENT REPORT

The accompanying financial statements of the Hiawatha First Nation are the responsibility of management and have been approved by Council.

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the First Nation's financial statements for issuance to the members. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Collins Barrow Kawarthas LLP has full and free access to Council.

Chief

Greg Louie

Date

June 22/16

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## INDEPENDENT AUDITORS' REPORT

### To Council and the Members of Hiawatha First Nation

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of Hiawatha First Nation, which comprise the statement of financial position as at March 31, 2016, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Hiawatha First Nation as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawarthas LLP*

Chartered Professional Accountants  
Licensed Public Accountants

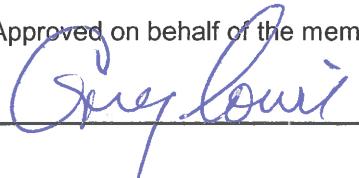
Peterborough, Ontario  
June 22, 2016

# HIAWATHA FIRST NATION

## STATEMENT OF FINANCIAL POSITION At March 31, 2016

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	2,774,372	2,713,319
Short term investments (note 3)	14,054,223	13,898,120
Due from Government and other Government organizations (note 4)	152,654	123,971
Other accounts receivable (note 5)	91,589	100,988
Inventory for resale (note 6)	339,910	354,462
Receivable from First Nation members (note 7)	1,311,926	1,262,617
Funds held in trust by the Federal Government (note 8)	233,147	227,364
<b>TOTAL FINANCIAL ASSETS</b>	<b>18,957,821</b>	<b>18,680,841</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 9)	565,592	347,316
Due to Government and other Government organizations (note 10)	142,427	115,782
Deferred revenue (note 13)	268,663	257,800
<b>TOTAL LIABILITIES</b>	<b>976,682</b>	<b>720,898</b>
<b>NET FINANCIAL ASSETS</b>	<b>17,981,139</b>	<b>17,959,943</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	7,785,147	8,077,840
Prepaid expenses (note 11)	32,819	35,484
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>7,817,966</b>	<b>8,113,324</b>
<b>ACCUMULATED SURPLUS (note 14)</b>	<b>25,799,105</b>	<b>26,073,267</b>

Approved on behalf of the members:

 **Greg Louis** Chief

 **Councillor**

*The accompanying notes are an integral part of these financial statements*

# HIAWATHA FIRST NATION

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended March 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Indigenous and Northern Affairs Canada (INAC) (notes 17 and 18)	1,848,110	1,821,575	1,802,222
Federal Government other (note 18)	699,100	707,195	670,981
Province of Ontario (note 18)	701,633	623,480	586,561
Ontario First Nations Limited Partnership	-	546,674	541,702
Old Railroad Stop	9,322,300	9,048,675	9,172,154
Other	1,203,440	1,144,329	1,232,890
<b>TOTAL REVENUES</b>	<b>13,774,583</b>	<b>13,891,928</b>	<b>14,006,510</b>
<b>EXPENSES</b>			
Administration	916,690	1,796,811	1,514,876
Community operations	706,882	691,545	684,756
Economic development	203,328	194,587	134,900
Education	966,418	905,809	977,622
Land management	113,623	113,258	157,007
Social development	1,661,332	1,594,452	1,548,383
Old Railroad Stop	9,122,256	8,868,403	8,986,672
Ontario First Nations Limited Partnership	-	1,225	5,075
<b>TOTAL EXPENSES</b>	<b>13,690,529</b>	<b>14,166,090</b>	<b>14,009,291</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>84,054</b>	<b>(274,162)</b>	<b>(2,781)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>26,073,267</b>	<b>26,073,267</b>	<b>26,076,048</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>26,157,321</b>	<b>25,799,105</b>	<b>26,073,267</b>

*The accompanying notes are an integral part of these financial statements*

# HIAWATHA FIRST NATION

## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended March 31, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS (DEFICIT)</b>	84,054	(274,162)	(2,781)
<b>AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	380,587	376,508	380,587
<b>ACQUISITION OF TANGIBLE CAPITAL ASSETS</b>	(74,780)	(83,815)	(270,831)
<b>DECREASE IN PREPAID EXPENSES</b>	-	2,665	7,000
<b>INCREASE IN NET FINANCIAL ASSETS</b>	389,861	21,196	113,975
<b>NET FINANCIAL ASSETS - beginning of year</b>	17,959,943	17,959,943	17,845,968
<b>NET FINANCIAL ASSETS - end of year</b>	18,349,804	17,981,139	17,959,943

*The accompanying notes are an integral part of these financial statements*

# HIAWATHA FIRST NATION

## STATEMENT OF CASH FLOWS For the Year Ended March 31, 2016

	2016	2015
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual deficit	(274,162)	(2,781)
(Increase) decrease in due from Government of Canada - other	(28,683)	29,837
Decrease in other accounts receivable	9,399	16,756
(Increase) decrease in inventory for resale	14,552	(5,038)
Decrease in prepaid expenses	2,665	7,000
Increase (decrease) in accounts payable and accrued liabilities	218,276	(257,676)
Increase in due to government and other government organizations	26,645	43,751
Increase in deferred revenue	10,863	43,333
Non-cash charges to operations:		
Amortization of tangible capital assets	376,508	380,587
<b>Net increase in cash from operating transactions</b>	<b>356,063</b>	<b>255,769</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(83,815)	(270,831)
<b>INVESTING</b>		
Purchase of short term investments	51,758,917	(13,898,120)
Disposal of short term investments	(51,915,020)	14,572,021
Increase in funds held in trust by the Federal Government	(5,783)	(7,194)
<b>Net increase (decrease) in cash from investing transactions</b>	<b>(161,886)</b>	<b>666,707</b>
<b>FINANCING</b>		
(Acrease) decrease in receivable from First Nation members	(49,309)	52,291
<b>INCREASE IN CASH</b>		
<b>CASH - beginning of year</b>	<b>61,053</b>	<b>703,936</b>
<b>CASH - end of year</b>	<b>2,713,319</b>	<b>2,009,383</b>
<b>CASH - end of year</b>	<b>2,774,372</b>	<b>2,713,319</b>

Interest received during the year was \$143,351 (2015 - \$251,942). Interest paid during the year was nil (2015 - nil).

*The accompanying notes are an integral part of these financial statements*

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting entity

These financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Hiawatha First Nation.

The reporting entity includes the Hiawatha First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. There are no non-consolidated entities.

All interdepartmental assets and liabilities and revenues and expenses have been eliminated.

(b) Cash

Cash consists of cash on hand and balances with banks.

(c) Inventory for resale

Inventory for resale, which consists of goods available for resale, is recorded at the lower of cost and market.

The cost of non-fuel inventory is determined by the first-in, first-out method. The cost of gasoline inventory is determined by the weighted average cost method.

(d) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20-30 years
Buildings	25-40 years
Machinery and equipment	10 years
Vehicles	5 years
Office equipment	10 years
Computer hardware and software	5 years
Roads	20-40 years
Wells and septic	50 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Assets under construction are not amortized. When assets under construction are put into service they are transferred to the appropriate tangible capital asset classification.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Recognition of revenues and expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the funder for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue as the recognition criteria are met. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(f) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Tangible capital and other non-financial assets are accounted for as assets by the First Nation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(h) Government funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Reimbursement for program costs is dependent ultimately upon their acceptance by the various agencies that fund the programs.

(i) Use of estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the First Nation's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The First Nation's significant estimates are:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2016

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**2. CASH**

Cash consists of the following:

	2016	2015
	\$	\$
<b>Externally restricted:</b>		
Ontario First Nation Limited Partnership	397,661	561,407
<u>Apartment replacement</u>	4,298	4,292
	<b>401,959</b>	<b>565,699</b>
<b>Unrestricted:</b>		
Cash in ATM	4,600	6,100
Current	1,118,176	773,185
Lottery	7,372	8,520
Serpent Mounds Park	711	709
Claims settlement	784	787
Operations	26,286	146,951
<u>Trust - Islands in the Trent Minors' Settlement</u>	<u>1,214,484</u>	<u>1,211,368</u>
	<b>2,372,413</b>	<b>2,147,620</b>
	<b>2,774,372</b>	<b>2,713,319</b>

**3. SHORT TERM INVESTMENTS**

Investments are comprised of the following:

	2016	2015
	\$	\$
<b>General</b>		
Ontario First Nation Limited Partnership	1,900,035	1,857,568
<u>Islands in the Trent settlement</u>	<u>230,049</u>	<u>244,215</u>
	<b>11,924,139</b>	<b>11,796,337</b>
	<b>14,054,223</b>	<b>13,898,120</b>

Short term investments consist of cashable GIC's maturing between May 11, 2016 and June 20, 2016 with interest rates ranging from 1.05 to 1.08%.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2016

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**4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

Due from Government and other Government organizations consists of the following:

	2016	2015
	\$	\$
<b>Federal Government</b>		
Canada Mortgage and Housing Corporation	81,049	26,696
Health Canada	17,767	2,336
INAC - Income Assistance	2,431	4,863
INAC - Assisted Living	-	3,569
INAC - Band Support	14,155	23,699
	<hr/> 115,402	<hr/> 61,163
<b>Provincial Government</b>	37,252	62,808
	<hr/> 152,654	<hr/> 123,971

**5. OTHER RECEIVABLES**

Other receivables consist of the following:

	2016	2015
	\$	\$
Accrued interest	17,438	26,297
Old Railroad Stop	15,859	9,137
Kagita Mikam	13,854	1,518
Association of Iroquois and Allied Indians	12,556	26,632
Hiawatha Trust recreation subsidy	7,500	-
Aboriginal Labour Force Development Circle	7,180	19,285
Otonabee South Monaghan Township	3,539	-
Other receivables	13,663	18,119
	<hr/> 91,589	<hr/> 100,988

**6. INVENTORY FOR RESALE**

Inventory consists of the following:

	2016	2015
	\$	\$
General store merchandise	254,383	294,353
Gasoline	85,527	60,109
	<hr/> 339,910	<hr/> 354,462

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**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**7. RECEIVABLE FROM FIRST NATION MEMBERS**

Receivable from First Nation members is comprised of the following:

	2016	2015
	\$	\$
Mortgages receivable	2,300,636	2,207,327
Forgivable portion of mortgages receivable	(988,710)	(944,710)
	<hr/>	<hr/>
	1,311,926	1,262,617

**8. FUNDS HELD IN TRUST BY THE FEDERAL GOVERNMENT**

The funds held by the Federal Government on behalf of the First Nation of \$233,147 (2015 - \$227,364) are for the use of the First Nation for specific projects. At the request of the First Nation, these funds can be obtained.

	Opening Balance \$	Additions \$	Withdrawals \$	Closing Balance \$
Capital	12,870	-	-	12,870
Revenue	214,494	5,783	-	220,277
	<hr/>	<hr/>	<hr/>	<hr/>
	227,364	5,783	-	233,147

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2016	2015
	\$	\$
Accrued liabilities	295,485	152,052
Due to school board	134,366	109,588
Trade payables	135,741	85,676
	<hr/>	<hr/>
	565,592	347,316

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**10. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

Due to Government and other Government organizations consists of the following:

	2016	2015
	\$	\$
<b>Federal Government</b>		
Indigenous and Northern Affairs Canada	63,132	27,126
Health Canada	24,358	71,450
	<hr/> 87,490	<hr/> 98,576
<b>Province of Ontario</b>	54,937	17,206
	<hr/> 142,427	<hr/> 115,782

**11. PREPAID EXPENSES**

Prepaid expenses consists of the following:

	2016	2015
	\$	\$
<b>Insurance</b>	14,185	14,374
<b>Student tuition and allowances</b>	18,634	20,408
<b>Supplies</b>	-	702
	<hr/> 32,819	<hr/> 35,484

**12. BUDGET FIGURES**

The budget, approved by the First Nation, for 2016 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

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**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2016

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**13. DEFERRED REVENUE**

Deferred revenue consists of the following:

	Balance March 31, 2015 \$	Funding Received 2016 \$	Revenue Recognized 2016 \$	Balance March 31, 2016 \$
<b>Restricted Contributions</b>				
Association of Iroquois and Allied Indians (AIAI)	103,670	259,594	274,049	89,215
Health Centre	12,496	28,781	23,222	18,055
Brighter Futures - first response	4,367	75	-	4,442
Aboriginal Labour Force	37,675	231,214	231,214	37,675
RV Park Improvement Fund	9,864	-	-	9,864
Health Canada	-	637,708	621,708	16,000
	168,072	1,157,372	1,150,193	175,251
<b>Other</b>				
Day care	30,467	67,888	72,160	26,195
Park fees	36,221	120,915	116,865	40,271
Rent deposits	9,307	2,400	-	11,707
Service fee and other deposits	-	6,280	-	6,280
	75,995	197,483	189,025	84,453
<b>Hiawatha First Nation Trust</b>				
Cultural teacher	6,715	-	6,715	-
Education	7,018	9,000	11,575	4,443
Recreation	-	15,000	11,394	3,606
Serpent Mounds	-	3,000	2,090	910
	13,733	27,000	31,774	8,959
	257,800	1,381,855	1,370,992	268,663

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**14. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
<b>Surplus</b>		
Operating - General	2,231,841	1,781,741
Operating - Islands In the Trent Settlement - see (a) below	11,560,533	11,666,199
	13,792,374	13,447,940
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	7,785,147	8,077,840
<b>Surplus</b>	<b>21,577,521</b>	<b>21,525,780</b>
<b>Restricted</b>		
Apartment replacement	4,299	4,292
Ontario First Nation Limited Partnership	557,726	802,574
Education	264,837	264,837
Lands management	82,700	82,700
Economic development	42,463	42,463
Daycare	118,015	118,015
Special projects	47,637	47,637
Capital housing program	1,969,116	1,969,078
Islands in the Trent minors' settlement - see (b) below	901,644	988,527
<b>Total Restricted</b>	<b>3,988,437</b>	<b>4,320,123</b>
<b>Held in Trust by the Federal Government</b>		
Capital	12,870	12,870
Revenue	220,277	214,494
<b>Total Held in Trust by the Federal Government</b>	<b>233,147</b>	<b>227,364</b>
	<b>25,799,105</b>	<b>26,073,267</b>

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**14. ACCUMULATED SURPLUS, continued**

**(a) Islands in the Trent settlement - Surplus**

	2016	2015
	\$	\$
Opening balance	11,666,199	12,551,544
Interest earned	126,771	124,946
Legal costs (note 18)	(22,437)	-
Health Centre building contribution	-	(940,291)
Distributions	(210,000)	(70,000)
	<hr/>	<hr/>
	11,560,533	11,666,199

**(b) Islands in the Trent minors' settlement**

	2016	2015
	\$	\$
Opening balance	988,527	1,105,485
Interest earned	3,117	3,042
Distributions	(90,000)	(120,000)
	<hr/>	<hr/>
	901,644	988,527

Total settlement claim was in the amount of \$19,934,329 in 2013. Of this amount \$1,200,000 was restricted by Hiawatha First Nation for distributions to members under the age of 18 at the settlement date.

**15. PENSION AGREEMENTS**

Some of the employees of the First Nation are eligible to be members of a contributory pension plan managed by Sun Life Financial. Employer contributions to the plan by the First Nation during the year amounted to \$23,398 (2015 - \$20,626). These contributions for current service are expensed during the year in which services are rendered and represent the total pension obligation of the First Nation.

The amount of benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan.

**16. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC). The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**17. RECONCILIATION OF INAC FUNDING TO FIRST NATION INAC REVENUE**

	2016	2015
	\$	\$
<b>INAC Funding Per Confirmation</b>	1,857,613	1,818,117
add: Debt management overpaid arrangement	-	6,218
	<b>1,857,613</b>	<b>1,824,335</b>
<b>Less Amounts Repayable:</b>		
Special Education	16,102	22,113
Capital Development	19,904	-
National Child Benefit	32	-
	<b>36,038</b>	<b>22,113</b>
<b>INAC Revenue For The Year</b>	<b>1,821,575</b>	<b>1,802,222</b>

**18. GOVERNMENT TRANSFERS**

Government transfers consist of the following:

	2016	2015
	\$	\$
Indigenous and Northern Affairs Canada		
Operating	1,752,589	1,680,222
Capital	68,986	122,000
	<b>1,821,575</b>	<b>1,802,222</b>
 Federal Government other		
Health Canada - operating	621,708	574,627
Canada Mortgage and Housing Corporation - operating	80,162	91,072
Heritage grant - operating	-	18
Human Resource Development Canada - operating	5,325	5,264
	<b>707,195</b>	<b>670,981</b>
 Province of Ontario - operating	<b>623,480</b>	<b>586,561</b>
	<b>3,152,250</b>	<b>3,059,764</b>

**19. CONTINGENT LIABILITIES**

The First Nation, in the course of its operations, has been named in a lawsuit the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

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**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

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**20. SEGMENTED INFORMATION**

Hiawatha First Nation is a territorial government institution that provides a range of services to its members. First Nation services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure.

**Administration**

Administration consists of the activities of Council and general financial and administrative management of the First Nation and its programs and services.

**Community Operations**

Community Operations include police, fire, public works, community housing and operation of waste management and water systems.

**Economic Development**

Economic development includes the various employment oriented programs of the First Nation.

**Education**

Education includes elementary and secondary schools and post secondary education.

**Land Management**

Land management includes the First Nation lands management function, the operations of the Serpent Mounds Park and flooding claims.

**Social Development**

Social development consists of Social Assistance to members and inhabitants of the First Nation, health promotion programs and child care services.

**Old Railroad Stop**

Old Railroad Stop includes operations of the gas bar and store.

**Ontario First Nations Limited Partnership**

Ontario First Nations Limited Partnership consists of funds received from the Ontario First Nation Limited Partnership and related revenues and expenses.

## HIAWATHA FIRST NATION

### SCHEDULE 1: SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended March 31, 2016

	Cost					Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Amortization	Closing Balance	NBV 2016	NBV 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Tangible Capital Assets</b>										
Land	201,747	54,780	-	-	256,527	-	-	-	256,527	201,747
Land Improvements	929,821	-	-	-	929,821	293,752	40,762	334,514	595,307	636,069
Residential Buildings	1,486,167	-	-	-	1,486,167	424,014	178,328	602,342	883,825	1,062,153
Non-Residential Buildings	4,877,753	16,000	-	-	4,893,753	860,836	51,478	912,314	3,981,439	4,016,917
Vehicles	154,964	-	-	-	154,964	120,712	4,950	125,662	29,302	34,252
Computer Equipment	174,637	13,035	-	10,000	197,672	165,862	7,494	173,356	24,316	8,775
Other Equipment	693,729	-	-	-	693,729	453,517	42,501	496,018	197,711	240,212
Roads and Bridges	1,487,907	-	-	-	1,487,907	385,461	39,487	424,948	1,062,959	1,102,446
Waterworks and Septic Systems	575,406	-	-	-	575,406	69,209	11,508	80,717	494,689	506,197
	10,582,131	83,815	-	10,000	10,675,946	2,392,776	376,508	3,149,871	7,526,075	7,808,768
<b>Assets Under Construction</b>										
Computer Equipment	10,000	-	-	(10,000)	-	-	-	-	-	10,000
Waterworks and Septic Systems	259,072	-	-	-	259,072	-	-	-	259,072	259,072
	269,072	-	-	(10,000)	259,072	-	-	-	259,072	269,072
<b>TOTAL</b>	<b>10,851,203</b>	<b>83,815</b>	<b>-</b>	<b>- 10,935,018</b>	<b>2,773,363</b>	<b>376,508</b>	<b>3,149,871</b>	<b>7,785,147</b>	<b>8,077,840</b>	

## HIAWATHA FIRST NATION

### SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2016

	Actual 2016 \$	Administration Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Community Operations Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Economic Development Actual 2015 \$	Budget 2016 \$
<b>Revenues</b>									
INAC	349,075	326,518	368,979	303,451	298,453	303,451	68,275	67,091	68,175
Federal Government other	-	-	-	80,162	91,072	35,193	5,325	5,264	5,966
Province of Ontario	173,404	165,323	180,190	12,004	13,987	17,244	65,512	-	102,747
Other	262,120	342,869	314,112	196,493	188,205	220,150	67,175	70,782	68,311
	<b>784,599</b>	<b>834,710</b>	<b>863,281</b>	<b>592,110</b>	<b>591,717</b>	<b>576,038</b>	<b>206,287</b>	<b>143,137</b>	<b>245,199</b>
<b>Expenses</b>									
Salaries and benefits	438,892	535,217	506,118	127,732	103,399	164,400	138,435	127,053	140,445
Materials	131,616	129,583	151,800	85,529	86,486	88,400	-	-	-
Occupancy costs	34,853	28,911	28,700	115,876	127,672	154,100	-	-	-
Contracted services	81,032	35,982	45,000	34,355	49,372	53,460	-	-	-
Bank charges and interest	59,950	58,150	60,000	1,273	7,972	1,273	-	-	-
Program costs	1,030,800	705,961	104,000	129,815	111,630	47,024	56,152	7,847	62,883
Amortization	19,668	21,072	21,072	196,965	198,225	198,225	-	-	-
	<b>1,796,811</b>	<b>1,514,876</b>	<b>916,690</b>	<b>691,545</b>	<b>684,756</b>	<b>706,882</b>	<b>194,587</b>	<b>134,900</b>	<b>203,328</b>
<b>Net surplus (deficit)</b>	<b>(1,012,212)</b>	<b>(680,166)</b>	<b>(53,409)</b>	<b>(99,435)</b>	<b>(93,039)</b>	<b>(130,844)</b>	<b>11,700</b>	<b>8,237</b>	<b>41,871</b>

## HIAWATHA FIRST NATION

### SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2016

	Actual 2016 \$	Education Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Land Management Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Social Development Actual 2015 \$	Budget 2016 \$
									(Unaudited)
<b>Revenues</b>									
INAC	960,780	967,999	969,204	53,230	50,258	53,230	86,764	91,903	85,071
Other Federal contributions	-	-	-	-	-	-	621,708	574,645	657,941
Province of Ontario	-	-	-	-	-	-	372,560	407,251	401,452
Other	11,575	12,305	16,018	8,185	59,890	5,495	594,179	549,794	579,354
	<b>972,355</b>	<b>980,304</b>	<b>985,222</b>	<b>61,415</b>	<b>110,148</b>	<b>58,725</b>	<b>1,675,211</b>	<b>1,623,593</b>	<b>1,723,818</b>
<b>Expenses</b>									
Salaries and benefits	28,949	28,825	28,900	55,930	94,335	55,580	777,349	744,577	798,227
Materials	-	-	-	16,706	21,784	16,895	37,978	49,527	37,485
Occupancy costs	-	-	-	2,874	1,697	4,050	41,980	44,371	52,196
Contracted services	-	-	-	2,400	2,386	2,400	1,500	600	1,200
Bank charges and interest	-	-	-	-	-	-	-	-	-
Program costs	222,256	275,492	247,018	2,622	2,707	600	704,877	678,477	741,393
External transfers	654,604	673,305	690,500	-	32,726	34,098	34,098	30,768	30,831
Amortization	-	-	-	-	-	-	-	-	-
	<b>905,809</b>	<b>977,622</b>	<b>966,418</b>	<b>113,258</b>	<b>157,007</b>	<b>113,623</b>	<b>1,594,452</b>	<b>1,548,383</b>	<b>1,661,332</b>
<b>Net surplus (deficit)</b>	<b>66,546</b>	<b>2,682</b>	<b>18,804</b>	<b>(51,843)</b>	<b>(46,859)</b>	<b>(54,898)</b>	<b>80,759</b>	<b>75,210</b>	<b>62,486</b>

## HIAWATHA FIRST NATION

### SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2016

	Actual 2016 \$	Old Railroad Stop Actual 2015 \$	Budget 2016 \$	Ontario First Nations Limited Actual 2016 \$	Partnership Budget 2016 \$	Actual 2016 \$	Consolidated Actual 2015 \$	Actual 2016 \$	Consolidated Totals Budget 2016 \$
									(Unaudited)
<b>Revenues</b>									
INAC	-	-	-	-	-	-	1,821,575	1,802,222	1,848,110
Other Federal contributions	-	-	-	-	-	-	707,195	670,981	699,100
Province of Ontario	-	-	-	-	-	-	623,480	586,561	701,633
OFNL/P distributions	-	-	-	546,674	541,702	-	546,674	541,702	-
Other	9,048,675	9,172,154	9,322,300	4,602	9,045	-	10,193,004	10,405,044	10,525,740
	9,048,675	9,172,154	9,322,300	551,276	550,747	-	13,891,928	14,006,510	13,774,583
<b>Expenses</b>									
Salaries and benefits	413,962	424,724	465,555	-	-	-	1,981,249	2,058,130	2,159,225
Materials	8,270,767	8,382,184	8,477,940	-	-	-	8,542,596	8,669,564	8,772,520
Occupancy costs	45,950	38,050	37,400	-	-	-	241,533	240,701	276,446
Contracted services	-	-	-	-	-	-	119,287	88,340	102,060
Bank charges and interest	41,343	45,353	45,000	-	-	-	102,566	111,475	106,273
Program costs	-	-	-	1,225	5,075	-	2,147,747	1,787,189	1,202,918
External transfers	-	-	-	-	-	-	654,604	673,305	690,500
Amortization	96,381	96,361	96,361	-	-	-	376,508	380,587	380,587
	8,868,403	8,986,672	9,122,256	1,225	5,075	-	14,166,090	14,009,291	13,690,529
<b>Net surplus (deficit)</b>	<b>180,272</b>	<b>185,482</b>	<b>200,044</b>	<b>550,051</b>	<b>545,672</b>	<b>-</b>	<b>(274,162)</b>	<b>(2,781)</b>	<b>84,054</b>